

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1423137-0

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5/8/73

GENERAL INVESTIGATIVE DIVISION

The attached is a request from the Deputy Attorney General for additional investigation in this matter including interviews with Charles W. Colson, former Special Counsel to the President; E. Howard Hunt, Jr., convicted Watergate subject; John W. Dean, III, former Counsel to the President; John D. Ehrlichman, former Assistant to the President for Domestic Affairs; and L. Patrick Gray, III, former Acting Director of the FBI. Interviews of Colson and Hunt concern Hunt's trip to Denver, Colorado, to interview Dita Beard, former Washington Lobbyist for ITT and involve the much publicized Dita Beard memo of 6/25/71. Interviews of Dean, Ehrlichman and Gray concern among other things, a certain file folder which had been among the documents in Hunt's safe in the Executive Office Building and which reportedly Dean obtained and turned over to Mr. Gray. Included among the papers also was reportedly Hunt's memorandum concerning his interview of Dita Beard.

Previous investigation requested has been completed and reported to the Criminal Division.

WFO is being instructed to conduct immediate investigation concerning specific points requested by the Department and to conduct other investigation arising from the interviews.

JCK:efg

JCK

CDP

Finn

RSU

WAF

SAC, New Haven.

May 23, 1969

REC-91

Director, FBI

60-6831

1 -

[Redacted Box]

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HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND
TELEGRAPH CORPORATION

ANTITRUST

OO: NH

BUDED: 6/17/69

MCT-2

5-1

WLC

Enclosed for each office are two or more copies of a memorandum dated 5/22/69, received from the Antitrust Division. Also enclosed for information are two or more copies of material relating to residential homes built and sold by Levitt and Sons. This investigation relates to the proposed merger of captioned firms, and the Antitrust Division is seeking information to enable it to make a determination as to whether a civil complaint should be filed seeking to bar the merger. The antitrust attorney handling this matter has advised that any court action taken will be in Connecticut, therefore, New Haven is being designated office of origin.

It should be noted that the Antitrust Division desires to gather sufficient facts about the anticompetitive aspects of this proposed merger to make a determination by 6/1/69, as to whether there is a violation of the antitrust laws. The antitrust attorney also advised that our investigation need not be completed by 6/1/69; however, in view of stockholder meetings to vote on the proposed merger, which will take place in June and July, 1969, the Antitrust Division desires to have as much information as possible prior to these meetings. Accordingly, each office is

Enclosures (4)

- | | |
|-------------------------------|--------------------------------|
| 4 - Alexandria (Enclosures 8) | 4 - New York (Enclosures 8) |
| 4 - Baltimore (Enclosures 8) | 2 - San Juan (Enclosures 4) |
| 2 - Buffalo (Enclosures 4) | 4 - Springfield (Enclosures 8) |
| 4 - Chicago (Enclosures 8) | 2 - WFO (Enclosures 4) |
| 4 - Newark (Enclosures 8) | |

WCL:mlp
(34)

SEE NOTE PAGE TWO

Tolson _____
DeLoach _____
Mohr _____
Bishop _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

MAIL ROOM ☐ TELETYPE UNIT ☐

55 JUN 4 1969

Letter to SAC, New Haven
RE: HARTFORD FIRE INSURANCE COMPANY;

instructed to surep beginning 6/2/69, setting forth investigation conducted to date, with all investigation to be reported by 6/17/69. Reports should be transmitted to the Bureau by cover routing slip marked for the special attention of the Accounting and Fraud Section.

The Antitrust Division's memorandum indicates that initial contact with Insurance Agents Associations should be made with the President or State National Director, if possible. Leads developed for other offices as a result of these contacts should be expeditiously set out to insure that the Bureau deadline for completion of all investigation will be met.

Handle investigation in accordance with provisions of Chapter 4, Part III, FBI Handbook. Any documents obtained are to be identified properly, listed on the FD-204 of reports and are to be forwarded to the Bureau for transmittal to the Antitrust Division, Washington, D. C. New Haven upon completion of all investigation should submit a closing report inasmuch as this is a civil case.

NOTE:

Above advice was received by SA [redacted]
from Antitrust Division Attorney [redacted] on 5/22/69.

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27
F B I

Date: 5/26/69

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO : DIRECTOR, FBI

FROM: SAC, CHICAGO

②
① HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND
TELEGRAPH CORPORATION

ANTITRUST

OO: NH

BUDED: 6/17/69

ReBulet 5/23/69.

Re letter with enclosures requests interview with 3 large property and liability agents who represent Hartford Insurance Group. It is to be noted suggestion has been made an agents association be contacted for identification of Hartford Agents. Schedule "A" lists two associations, both of whom are in Springfield territory. Chicago holding this phase of investigation in abeyance, until Springfield is able to identify the Hartford Agents.

ST-116

REC-33

60-6831-2

25 MAY 27 1969

- ② - Bureau
2 - Springfield
1 - Chicago

LEP:hjz
(5)27
51 JUN 4 1969
Approved _____

Special Agent in Charge

Sent _____ M Per _____

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: May 22, 1969

FROM : A. Rosen

SUBJECT: HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND
TELEGRAPH CORPORATION
ANTITRUST.

1 - Mr. DeLoach
1 - Mr. Rosen
1 -
1 -
1 - Mr. Bishop

Tolson _____
DeLoach _____
Mohr _____
Bishop _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

By memorandum dated 5/22/69, the Antitrust Division requested investigation by the Bureau in connection with the Department's consideration of the proposed merger of Hartford Fire Insurance Company, Hartford, Connecticut, and International Telephone and Telegraph Corporation (ITT), New York City. This is primarily a conglomerate-type merger inasmuch as the two companies are not in direct competition, except in several limited areas. The proposed merger is scheduled to be consummated in July, 1969.

Antitrust Division is considering whether to oppose this merger as a possible violation of the Clayton Antitrust Act and has requested that we interview agents of Hartford Fire Insurance Company in five metropolitan areas in the United States and San Juan, Puerto Rico. We are asked, among other things, to determine from these agents, who are not employees of Hartford Fire Insurance Company, what effect the proposed merger would have on their sale of property and liability insurance. We are also requested to interview real estate developers in the same metropolitan areas who compete with Levitt and Sons, a large residential developer and subsidiary of ITT, in the sale of homes to determine if combination of ITT with Levitt has resulted in any competitive advantage for Levitt and if proposed merger with Hartford Fire Insurance Company would give Levitt a competitive advantage in financial backing and land development.

ACTION:

This request for investigation is being forwarded to the field for immediate investigative action.

WCL:mlp
(7)

REC-15

22 MAY 28 1969

55 JUN 6 1969

F B I

Date: 5-29-69

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIRMAIL
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, SPRINGFIELD (60-304) (P)

SUBJECT: HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND
TELEGRAPH CORPORATION
ANTITRUST

OO: NEW HAVEN
BUDED: 6-17-69

ReBulet to New Haven 5-23-69 and Chicago airtel 5-26-69.

Enclosed for the Bureau are the original and three copies of LHM, captioned as above. Enclosed for Chicago and New Haven are two copies each of LHM.

[redacted] Independent Insurance Agents of Illinois, Ashland, Illinois; and [redacted] Independent Agents of Illinois, Decatur, Illinois, advised they have no information or records available to them which would provide the names of agents of the Hartford Insurance Group in the Chicago area who are in a position to compete for the sale of Home Owners Insurance generated by the sale of Levitt Homes. Both of these individuals suggested contact be made with the Chicago Board of Underwriters, 175 West Jackson Boulevard, Chicago, Illinois, who might be able to furnish this information.

ENCLOSURE 2 - 4 to 84 060

REC 17 1 - Ticker

- 2 - Bureau (Enc. 4)
2 - New Haven (Enc. 2)
2 - Chicago (Enc. 2)
2 - Springfield (60-304)

JLB:mts
(7)

4 MAY 31 1969

RECEIVED - 5-31-69

Approved: _____
Special Agent in Charge

Sent _____ M

Per _____

59 JUN 9 - 1969

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SI 60-304

LEADS

CHICAGO DIVISION

At Chicago, Illinois

Contact personnel at Chicago Board of Underwriters, 175 West Jackson Boulevard, and ascertain property and liability agents who represent Hartford Insurance Group and who are in a position to compete for the sale of Home Owners Insurance generated by the sale of Levitt Homes, and thereafter conduct other investigation as required in Departmental Memorandum enclosed with referenced Bureau letter.



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Springfield, Illinois

May 29, 1969

In Reply, Please Refer to
File No.

HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND
TELEGRAPH CORPORATION

[redacted] Independent Insurance Agents of Illinois. 108 West Editor, Ashland, Illinois, telephone [redacted] advised on May 29, 1969, that his association has no information which would indicate Hartford Insurance Group Agents in the Chicago, Illinois, area, who are in a position to compete for the sale of Home Owners Insurance generated by the sale of Levitt Homes in that area. [redacted] advised that the Chicago Board of Underwriters, 175 West Jackson Boulevard, Chicago, Illinois, is the trade association of agents in Chicago and that personnel at this location might have information of this type. [redacted] advised that the Underwriters Handbook of Illinois is a book utilized by insurance agents outside of Chicago, and this book does not list all of the insurance agents in Chicago. He said there is an Underwriters Handbook of Chicago which may list Hartford Insurance Group Agents.

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[redacted] advised that he had recently received a letter from the Department of Justice, advising him of the pending merger of Hartford Fire Insurance Company and International Telephone and Telegraph Corporation. This letter solicited his feelings about the matter and answers to other questions. He has submitted his answer to this letter to the Department of Justice.

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[redacted] Independent Insurance Agents of Illinois. 146 South Water Street, Decatur, Illinois, telephone [redacted] telephonically

60 - 6831-4

ENCLOSURE

HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND
TELEGRAPH CORPORATION

advised on May 29, 1969, that he is in possession of no information which would reflect the identity of Hartford Insurance Group Agents who are in a position to compete for the sale of Home Owners Insurance generated by the sale of Levitt Homes in the Chicago area. He suggested the Chicago Board of Underwriters, 175 West Jackson Boulevard, Chicago, Illinois, as a source which might have this type of information; however, he doubted this since Home Owners Insurance is in many instances sold through independent brokers who place the insurance with various companies.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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F B I

Date: 6/3/69

PLAIN TEXT

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, NEW YORK (60-1646)

SUBJECT: HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND
TELEGRAPH CORPORATION
ANTITRUST
OO: NH
BUDED: 6/17/69

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pdc

ReBulet to NH, dated 5/23/69.

Attempts made on 5/29 and 6/2/69, to contact Greater New York Insurance Brokers' Association, Inc., and their answering service advised that Director of Association, who was the only individual authorized to give out information, was out of town and would not return until 6/9/69. NYO will contact at that time.

2- Bureau
1- New Haven
1- New York

JPM:jrf
(5)

REC 102

60-6831-5

1 JUN 4 1969

SIX

288
59 JUN 1969
Special Agent in Charge

Sent _____ M Per _____

F B I

Date: 5/28/69

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, BUFFALO (60-372) (RUC)

HARTFORD FIRE INSURANCE COMPANY;
 INTERNATIONAL TELEPHONE AND
 TELEGRAPH CORPORATION
 ANTITRUST
 (OO: NEW HAVEN)
 BUDED: 6/17/69

Re Bureau letter to New Haven, 5/23/69.

Enclosed herewith for the Bureau are the original and three copies of an LHM concerning captioned matter. Enclosed for New Haven are two copies of the LHM and for Albany, two copies of the LHM and one copy of referenced Bulet and a copy of antitrust memo and attachments dated 5/22/69.

In view of the fact that no further information is available in the Buffalo Division, no additional investigation is being conducted; and this case is being RUC'd.

LEADALBANYAT SYRACUSE, NEW YORK

Will immediately contact Mr. [REDACTED]

[REDACTED] New York State Association of Insurance Agents, Hills Building, Syracuse, N. Y., telephone number [REDACTED]

- ② - Bureau (Encs. 4) (AM)
 2 - Albany (Encs. 4) (AM)
 2 - New Haven (Encs. 2) (AM)
 1 - Buffalo

DMG:ck
 (7)

Approved: [Signature]

Sent _____ M Per _____

Special Agent in Charge

70 JUN 13 1969

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Buffalo, New York
May 28, 1969

**HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND
TELEGRAPH CORPORATION
ANTITRUST**

On May 28, 1969, [redacted] First National Bank Building, Batavia, New York advised that he is no longer State National Director of the New York State Association of Insurance Agents. He stated that the new national director is Mr. [redacted] who has an insurance business in New Rochelle, New York.

Mr. [redacted] advised that the State Association has an office in the Hills Building, Syracuse, New York, which is operated by Mr. [redacted]. He stated Mr. [redacted] could supply the identities of Hartford Insurance agents in the State of New York. Mr. [redacted] advised that the State Association at the present time is running a computer survey of all insurance agents in the State of New York and that within a few days, they should be able to imprint this information by computer.

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

- 1* -
60-6831-6
ENCLOSURE

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE ALEXANDRIA	OFFICE OF ORIGIN NEW HAVEN	DATE 6/2/69	INVESTIGATIVE PERIOD 5/28-29/69
TITLE OF CASE HARTFORD FIRE INSURANCE COMPANY; INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION		REPORT MADE BY <div style="border: 1px solid black; height: 15px; width: 100%;"></div>	TYPED BY KMA
		CHARACTER OF CASE ANTI-TRUST	

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REFERENCES

Bureau letter to New Haven dated 5/23/69.

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ADMINISTRATIVE DATA

Persons interviewed were advised that investigation was being conducted at request of Assistant Attorney General, Anti-Trust Division.

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ACCOMPLISHMENTS CLAIMED						<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			
APPROVED COPIES MADE: <div style="margin-left: 20px;"> 2 - Bureau 2 - New Haven 2- Alexandria (60-1) </div>						<div style="text-align: center;">SPECIAL AGENT IN CHARGE</div> <div style="text-align: center; font-weight: bold;">DO NOT WRITE IN SPACES BELOW</div> <div style="font-size: 2em; font-weight: bold; text-align: center;">60-6831-7</div> <div style="text-align: right; font-weight: bold;">REC-115</div> <div style="text-align: center; margin-top: 20px;">14 JUN 4 1969</div>		
Dissemination Record of Attached Report						Notations <div style="text-align: center; font-weight: bold; font-size: 1.5em;">STAFF SECT.</div>		
Agency	<i>Ltd</i>							
Request Recd.								
Date Fwd.	<i>6-13-69</i>							
How Fwd.	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>							
By	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>							

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55 JUN 16 1969

COVER PAGE

AX 60-1

LEADS

ALEXANDRIA

AT ALEXANDRIA, VA.:

Will conduct interviews with three large residential real estate developers of acreage on the perimeter of the Greenbrier development, Fairfax County, Va.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:

Date:

JUNE 2, 1969

Office: ALEXANDRIA,
VIRGINIAb6
b7C

Field Office File #:

60-1

Bureau File #:

Title:

HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION

Character:

ANTI-TRUST

Synopsis:

[redacted] representatives of Hartford Insurance group in Metropolitan area of Washington, D.C. interviewed. All state no data available showing rank and share of business Hartford holds in property and liability insurance in Fairfax County. All of opinion Hartford's volume is very low in this area. No data available to show amount of business generated by Levitt Development. Premiums for insurance on Levitt homes at Greenbrier negligible. These agents do not compete with Levitt in connection with insurance for home owners, fire and related lines. Each agent has sold such insurance to purchasers of new Levitt homes. Each have not lost any customers to Levitt and do not know of any such losses by other agents. These agents of opinion combination of ITT-Levitt and Hartford will have no effect on their business. These agents all advised that large insurance companies do not encourage agents to sell home owner's insurance as there is very little profit involved. Requirements as to installation of fire protection equipment governed by appropriate state and local agencies. Insurance rates in area are set by Virginia Insurance Rating Bureau, Richmond, Va. Hartford and insurance companies do

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AX 60-1

not recommend automatic sprinklers and other fire protection equipment by brand name as this is in violation of law, therefore, would not be mutually advantageous for Hartford to recommend sprinkler company and for sprinkler company to recommend Hartford.

- P -

DETAILS:

- la -

FEDERAL BUREAU OF INVESTIGATION

Date June 2, 1969

[REDACTED] Robert
H. Nicholson Insurance Agency, 150 Little Falls Road,
Falls Church, Va., furnished the following information:

He has been in this line of business for a period of 18 years and is currently President of the Northern Virginia Association of Insurance Agents. His agency represents Aetna Insurance Company, the St. Paul group and the Hartford group. His agency issues policies on properties located in all of Northern Virginia and parts of Maryland. He said there are no data available to Hartford agents which indicates the rank and share of business Hartford holds in property and liability insurance in the County of Fairfax. Mr. [] advised that Hartford's volume in this area is very low and he believes the reason is that the Government Employees Insurance Company is very strong in this area and that company's rates are very attractive.

He advised that the insurance companies do not furnish Agents with leads for new business in connection with real estate developments since that type insurance is the least profitable for the insurance companies and agents alike. The National Underwriters Magazine does rank insurance companies and he believed the latest issue listed Hartford group in about fifth or sixth position.

He stated it is his opinion that any business generated by Levitt Developments is negligible. He stated that he has sold only one home owner's policy to a purchaser of a new Levitt home at Greenbrier. This policy was written with the Aetna Insurance Company as the customer.

On 5/28/69 at Falls Church, Va. File # Alexandria 60-1

by SA [redacted] kma Date dictated 6/2/69

AX 60-1

2

previously carried insurance with that company and indicated that preference. He stated that he has never lost any customers to Levitt and does not know of any other agents in the area that have.

Mr. [] does not believe the combination of International Telephone and Telegraph-Levitt and Hartford will effect his business in any way. He advised that it is customary for lending companies to offer insurance coverage at the time the loan is negotiated, but he has no knowledge that any lender was pressuring prospective home owners to purchase their insurance. He stated that this would be in violation of state law and does not believe any of the large insurance companies would engage in any such activity. Mr. [] stated that he considers the Hartford Insurance Company as a leader in the insurance industry and he sincerely believes they would refrain from engaging in any illegal practice and furthermore, does not believe they would ever resort to this.

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He advised that all insurance companies require fire protection equipment if the property covered by the insurance is subject to state or local fire regulations. In those instances, the insurance companies usually instruct prospective policy holders to consult with their agent. Mr. [] stated that insurance companies refrain from recommending any particular product by name since they do not want to be criticized if the product does not function properly.

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Mr. [] advised that the Hartford Company does not give discounts to customers who have such fire protection equipment. He advised that the premium rates are established by the Virginia Insurance Rating Bureau and if the property to be insured is such that fire protection equipment is required, the rates are established on the basis the fire protection equipment is necessary and will be installed.

AX 60-1

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Mr. [] advised that each large insurance company has an engineering department and a representative of that department usually goes to the building site and inspects fire protection equipment to insure that fire regulations are being complied with. He stated that such inspections are also conducted by local agencies and buildings such as nursing homes and public meeting places are also inspected by a State agency.

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Mr. [] stated he does not believe it would be mutually advantageous for Hartford to recommend a particular sprinkler company since this would be in violation of both state and federal laws and he does not believe Hartford would risk their reputation in this manner.

FEDERAL BUREAU OF INVESTIGATION

Date June 2, 1969

[redacted] George T. Reeves, Inc., 802 West Broad Street, Falls Church, Va., furnished the following information:

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His agency has a large volume of home owner property insurance type business and represents five major insurance companies in this line. These companies are: Aetna Casualty and Insurance Company, Aetna Insurance Company, Monarch Insurance Company, State Capitol Insurance Company of Raleigh and the Hartford Insurance Company. The largest company, volume wise, is Aetna Casualty and Insurance Company.

Mr. [redacted] stated he would rank the Hartford group on the bottom as this group is the youngest in his agency. He advised that he has represented the Hartford group for about two years. He stated that there are no data available to show the rank and share of business Hartford holds in property and liability insurance in Fairfax County. He stated it was his opinion that the amount of business generated by the Levitt Development at Greenbrier is negligible, and, in fact, he only heard of the Greenbrier development about two weeks ago. He advised that his agency does not solicit business at any developments in the area as profits in this insurance line are very low for both the insurance company and the agents. He stated that the insurance companies do not pressure agents in any way to obtain such business. Mr. [redacted] stated he does not believe Levitt sells insurance and does not believe Levitt would ever insist that insurance be handled by any particular company. He stated it was his opinion that International Telephone and Telegraph-Levitt and Hartford were all reputable firms and would not engage in any activity which was in violation of law. He stated that he believed the main reason such

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On 5/28/69 at Falls Church, Va. File # Alexandria 60-1
by SA [redacted] kma Date dictated 6/2/69

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AX 60-1

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conglomerates are formed is that it gives them the ability to obtain better financing and in this case it would undoubtedly be advantageous for International Telephone and Telegraph (ITT) to make use of the large cash reserves held by Hartford.

Mr. [] stated that his agency has written several policies on homes at Greenbrier and has not experienced any difficulties in writing those policies. He stated that while state law prohibits financing companies, mortgage lenders, etc., from controlling the insurance, these companies, nevertheless, "have an in" since they are on the scene and have every legal right to sell insurance. They are only prohibited from insisting that a particular insurance company be utilized.

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He stated that his agency has not lost any customers to Levitt and he does not believe Levitt offers any insurance to prospective home buyers. He stated that he is constantly in touch with other insurance agents in this area and none of these have complained of losing customers to Levitt.

Mr. [] stated that another prime purpose of conglomerates is that of gaining sufficient strength and power to make further acquisitions. He cited as an example the recent affiliation of Yeonas developers with the Olin-Mathieson Corporation. He understood that this came about as Yeonas did not have sufficient capital to acquire land for development. He stated that in this area it is particularly advantageous for a developer, such as Yeonas, to purchase land well in advance as the market values are constantly on the increase. He stated, therefore, that the proposed merger would undoubtedly benefit Levitt from that standpoint since ITT would be able to advance funds necessary to purchase land several years in advance of actual development.

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AX 60-1

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Mr. [] stated that insurance companies do not issue any directives or bulletins which list fire protection equipment by brand name. He stated that the governing factor is the type of equipment and not the manufacturer. He stated they would never do anything like this and if they did they would end up in jail.

Mr. [] stated he has absolutely no fear of the proposed merger involving ITT, Levitt and Hartford and does not believe it would have any effect whatever on his business.

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FEDERAL BUREAU OF INVESTIGATION

Date June 2, 1969

Agency, 4069 Chain Bridge Road, Fairfax, Va., furnished the following information:

He has been in the insurance business for about 25 years and has represented the Hartford Insurance group during most of that period. He also represents Aetna Insurance Company, U.S. Fidelity and Guarantee Company and the St. Paul group. He advised that there are no available data to show the rank and share of business Hartford holds in property and liability insurance in the County. He stated that Hartford Company is weak in this area and he does not believe Hartford is concerned over this since Hartford is not pushing for insurance in the personal line. He stated that home owner insurance is not really profitable to the insurance company or the agents and this is also true of automobile and workman's compensation type insurance. He does not believe the amount of business generated by the Levitt development at Greenbrier is significant and believes the total home owners and fire and extended coverage sold in Levitt developments is insignificant. He stated that his total annual premiums for 1968 amounted to \$358,000. Of this amount \$50,000 represented premiums written for the Hartford Insurance Company. He stated that he sold home owner's policy to one person who purchased a Levitt home at Greenbrier. He advised that this customer had previously carried insurance on another property located in the City of Fairfax and the customer requested that he continue the home owner's coverage at Greenbrier.

He advised that he does not go out of his way to obtain clients in the home owner and residential insurance field and does not believe any agent would specialize in this

On 5/29/69 at Fairfax, Va. File # Alexandria 60-1
by SA [redacted] ^{TEL} kma Date dictated 6/2/69

AX 60-1

2

field due to the small profit rate. He estimated that the expenses involved in this type policy would exceed the commissions for the first two to three years and for this reason this type business is undesirable.

He stated that his agency has not lost any customers to Levitt and he does not know of any agents who have lost customers to Levitt. He advised that the proposed International Telephone and Telegraph (ITT)-Levitt and Hartford merger would have no effect on his business and he does not believe it would effect the business of any other agent in this area. He believes Hartford will not run the risk of losing its agencies over something like this. He does not believe the amount of business generated by any one developer, such as Levitt, would be significant enough for an insurance company such as Hartford to change their policy in dealing with their agents. He believes Hartford is agency oriented and if they changed their policy in that regard the agents would abandon Hartford.

Mr. [] stated that it is not the insurance companies that require installation of fire protection equipment. All insurance companies have a line guide which is based on the type occupancy, exposures, construction and the level of public protection. The presence of fire protection equipment in buildings is dictated by state and local agencies. In this area the Virginia Insurance Rating Bureau inspects premises and establishes rates. He said if there are any discounts involved due to presence of fire protection equipment, such discounts are not offered by the insurance companies but are built into the rate plan by the Rating Bureau.

Mr. [] stated that Hartford and other insurance companies do not recommend that customers install automatic sprinkler systems. His agency has not received

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copies of any bulletins or directives from Hartford or any other insurance company dealing with this subject. He stated it was his opinion that if Hartford did own an automatic sprinkler company they would not recommend products of that company as obviously this is in violation of Federal and state laws.

10
FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE NEWARK	OFFICE OF ORIGIN NEW HAVEN	DATE 6/2/69	INVESTIGATIVE PERIOD 5/29/69 - 6/2/69
TITLE OF CASE HARTFORD FIRE INSURANCE COMPANY; INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION		REPORT MADE BY (A)	TYPED BY djd
		CHARACTER OF CASE ANTI-TRUST	

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REFERENCE: Bureau letter to New Haven dated 5/23/69.

-P-

ADMINISTRATIVE:

On 5/29/69, [redacted] New Jersey Association of Independent Insurance Agents, 112 Bowers St., Jersey City, N.J., advised that because of prior commitments, he would not be available for interview until 6/2/69.

In accordance with instructions in Bureau letter to New Haven dated 5/23/69, all investigation is to be reported by 6/17/69.

ACCOMPLISHMENTS CLAIMED						<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			
							0	

APPROVED

SPECIAL AGENT
IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

2 - Bureau

2 - New Haven

4 - Newark (60-627)

60-4831-8

REC-5

17 JUN 4 1969

Dissemination Record of Attached Report			
Agency	1st		
Request Recd.			
Date Fwd.	6-13-69		
How Fwd.			
By			

Notations

STAT/SECT.

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55 JUN 16 1969

COVER PAGE

NK 60-627

LEADS

NEWARK

At Cinnaminson, N.J.: 1.) Will interview [] associated with Walter D. Lamon Company, 1630 Riverton Rd., for information requested in Anti-Trust Division memorandum dated 5/22/69.

2.) Will locate and interview a residential real estate developer in the vicinity who competes with Levitt and Sons in the sale of homes and will obtain information requested in Anti-Trust Division memorandum dated 5/22/69.

At Sparta, N.J.: 1.) Will interview [] associated with A. D. Crane and Company, 255 Woodport Road, for information requested in above mentioned memorandum dated 5/22/69.

2.) Will locate and interview a residential real estate developer in the vicinity who competes with Levitt and Sons in the sale of homes and will obtain information requested in above mentioned memorandum dated 5/22/69.

At Spring Lake, N.J.: 1.) Will interview [] associated with Oliver Brown Conover and Associates, 1315 Third Ave., for information requested in above mentioned memorandum dated 5/22/69.

2.) Will locate and interview a residential real estate developer in the vicinity who competes with Levitt and Sons in the sale of homes and will obtain information requested in above mentioned memorandum dated 5/22/69.

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:

[REDACTED] (A)

Office: Newark, New Jersey

Date:

6/2/69

Field Office File #:

60-627

Bureau File #:

Title:

HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND TELEGRAPH
CORPORATIONb6
b7C

Character:

ANTI-TRUST

Synopsis:

[REDACTED] New Jersey Association of Independent Insurance Agents, Jersey City, N.J., furnished names of agents representing Hartford Insurance group in pertinent cities in New Jersey.

-P-

DETAILS:

A review of the current Postal Directory disclosed no record of any listings for Garfield Park, Lakeridge, Monmouth Heights, Country Club Ridge or Rittenhouse Park, New Jersey.

On June 2, 1969, inquiry at the Federal Housing Administration Office, 970 Broad Street, Newark, New Jersey, disclosed that Garfield Park, Country Club Ridge and Rittenhouse Park were developments located in the vicinity of Willingboro, New Jersey.

On June 2, 1969, inquiry at the Loan Guarantee Section of the Veterans Administration Regional Office, 20 Washington Place, Newark, New Jersey, disclosed that Monmouth Heights was located in the vicinity of Matawan, New Jersey.

Neither of the above offices had any record concerning the location of Lakeridge.

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FEDERAL BUREAU OF INVESTIGATION

Date June 2, 1969

[redacted] New Jersey Association of Independent Insurance Agents, 112 Bowers Street, advised that the following individuals were agents representing the Hartford Insurance group in the areas set forth below:

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[redacted] who is associated with the agency known as Oliver Brown Conover and Associates, 1315 Third Avenue, Spring Lake, New Jersey, telephone number [redacted]

[redacted] stated that this agency covers the area in the vicinity of Matawan and Marlboro, New Jersey.

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[redacted] associated with the agency known as A. D. Crane Company, 255 Woodport Road, Sparta, New Jersey, telephone number [redacted]

[redacted] stated that this agency covers locations in the vicinity of Franklin, New Jersey.

[redacted] associated with the agency known as ~~Walter D. Lamon~~ Company, 1630 Riverton Road, Cinnaminson, New Jersey, telephone number [redacted]

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[redacted] explained that the above agency covers towns in the vicinity of Willingboro, New Jersey.

[redacted] was unable to furnish any information regarding the location of development known as Lakeridge.

On 6/2/69 at Jersey City, N.J. File# Newark 60-627

by SA [redacted] (A)
SA [redacted] (A) RAJ/djd Date dictated 6/2/69

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FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE SAN JUAN	OFFICE OF ORIGIN NEW HAVEN	DATE 6/2/69	INVESTIGATIVE PERIOD 5/27/69 - 6/2/69
TITLE OF CASE HARTFORD FIRE INSURANCE COMPANY; INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION		REPORT MADE BY <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	TYPED BY ebd b6 b7C
		CHARACTER OF CASE ANTITRUST	

REFERENCE: Bureau letter to New Haven, dated 5/23/69.

- P -

LEADS:

SAN JUAN

AT SAN JUAN, PUERTO RICO.

(1) Will interview official of Benitez and Del Nido, Inc., Midtown Building, a representative of Hartford Insurance Company.

ACCOMPLISHMENTS CLAIMED						<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:	
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES	PENDING OVER ONE YEAR		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
							PENDING PROSECUTION OVER SIX MONTHS	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
APPROVED <i>[Signature]</i>						SPECIAL AGENT IN CHARGE		DO NOT WRITE IN SPACES BELOW	
COPIES MADE: ② - Bureau 2 - New Haven 2 - San Juan (60-46)						60-6831-9		REC-88	
						14 JUN 5 1969			
Dissemination Record of Attached Report						Notations			
Agency	<i>Latd</i>					<div style="border: 1px solid black; padding: 5px; display: inline-block;"> STAT/SECT </div>			
Request Recd.									
Date Fwd.	<i>6-13-69</i>								
How Fwd									
By									

55 JUN 16 1969

COVER PAGE

SJ 60-46

(2) Will review Annual Report to Insurance
Commissioner for fiscal years 1967-1968

(3) Will interview three (3) large residential
real estate developers in the San Juan metropolitan area
who compete with Levitt in the sale of homes.

**UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION**

Copy to:**Report of:**

[REDACTED]

Office: San Juanb6
b7C**Date:**

June 2, 1969

Field Office File #: 60-46**Bureau File #:****Title:**

HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION

Character:

ANTITRUST

Synopsis:

[REDACTED] Lippitt and Simonpietri, advised he was aware a merger had been proposed by the Hartford Fire Insurance Company and International Telephone and Telegraph Corporation (ITT). He was of the opinion that this was not a desirable merger inasmuch as ITT did not belong in the insurance business. It was his opinion that the proposed merger of ITT and Hartford would restrain competition. [REDACTED] was aware that Consolidated Insurance Agency and Overseas Insurance Agency were the principal agencies handling Hartford business in Puerto Rico. [REDACTED] was not aware of the affiliation Levitt and Sons of Puerto Rico, Inc., had with the U.S. corporation. He did not know which company handled its insurance arrangements. [REDACTED] Consolidated Insurance Agency, Inc., stated his firm had been affiliated with Hartford for approximately 50 years. He did not believe that his firm had any of the business arising from Levittown or Levittown Lakes near Catano, Puerto Rico. He did not know which insurance company handled this property. Investigation for Consolidated Insurance is handled through Puerto Rico Inspection and Rating Bureau and rates are established through this service. Hartford does not recommend any fire protective devices or sprinkler systems. [REDACTED] Overseas Insurance Agencies, Inc., stated his firm had been affiliated with Hartford for approximately 4 years time. His firm was utilizing the service of Puerto Rico Inspection and Ratings Bureau for the purpose of establishing insurance ratings. He did not believe that Overseas had any business in the Levittown or Levittown Lakes area. He was unaware of who handled the insurance for Puerto Rico Telephone Company, subsidiary of ITT. It was his opinion that the proposed merger was on a two high a level to effect the economy of Puerto Rico.

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SJ 60-46

DETAILS:

AT SAN JUAN, PUERTO RICO.

On May 27, 1969, an attempt was made to contact [redacted] Lippitt and Simonpietri, General Insurance, 704 Ponce de Leon, Santurce, Puerto Rico, with negative results. His secretary advised that Mr. [redacted] would schedule an appointment for Monday, June 2, 1969, inasmuch as the company would be closed for the coming Memorial Day weekend.

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FEDERAL BUREAU OF INVESTIGATION

1

Date 6/2/69

[redacted]
Lippitt and Simonpietri, General Insurance, 704 Ponce de Leon, Santurce, Puerto Rico, upon being apprised of the identity of the interviewing Agent and of the fact that an investigation was being conducted at the request of [redacted] Assistant Attorney General, Antitrust Division, Department of Justice, furnished the following information:

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He was aware that a merger had been proposed between Hartford Fire Insurance Company (Hartford) and International Telephone and Telegraph Corporation (ITT) through reading material he had absorbed in recent months. He was of the opinion that this was not a desirable merger inasmuch as ITT did not belong in the insurance business. He felt that it was bad enough that some large insurance companies had merged making it hard to compete, and that the proposed merger of ITT and Hartford would further restrain competition.

[redacted] pointed out that he had no way of knowing how this proposed merger would effect the insurance business in Puerto Rico. There are two (2) principal agencies handling the Hartford business in Puerto Rico. They are as follows:

1. Consolidated Insurance Agencies

[redacted]
350 Comercio Street
San Juan, Puerto Rico

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2. Overseas Insurance Agency

350 Comercio Street
San Juan, Puerto Rico
[redacted]

He recommended interview of these two men inasmuch as they handle the bulk of Hartford business on the island. He was not aware whether other agencies handled Hartford insurance.

On 6/2/69 at Santurce, Puerto Rico File# SJ 60-46

by SA [redacted] :ebd Date dictated 6/2/69

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[] knew that Levittown, located near Catano, Puerto Rico, was built by Levitt and Sons of Puerto Rico, Incorporated. He did not know what affiliation this company had with the United States corporation, but assumed that it was a subsidiary company. To the best of his knowledge, Levitt and Sons of Puerto Rico, Incorporated, was not in the insurance business, but restricted their activities to the one project at Levittown and Levittown Lakes near Catano, Puerto Rico. [] did not know what manner of financing this firm used nor whether one or more than one company handled its insurance arrangements. He never heard that company's name associated with Hartford or any other insurance company.

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[] made available his copy of the 1967-1968 fiscal annual report for the Commissioner of Insurance, on a loan basis, which he believed would contain statistics for insurance coverage by various companies in Puerto Rico. The report was 200 pages in length, having been written in the Spanish language.

[] was of the opinion that the two agencies handling Hartford insurance could be helpful in a discussion of this matter. He did not know of any specific information that he could furnish concerning the activities of Hartford and Levitt on the island of Puerto Rico that would be more than conjecture on his part. The Puerto Rico Telephone Company is owned by ITT; however, [] did not know who their insurance representative was.

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FEDERAL BUREAU OF INVESTIGATION

1

Date 6/2/69

[redacted] Consolidated Insurance Company, Room 202, 350 Comercio Street, San Juan, Puerto Rico, upon being apprised of the identity of the interviewing Agent and of the fact that an investigation was being conducted at the request of [redacted] Assistant Attorney General, Antitrust Division, Department of Justice, furnished the following information:

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[redacted] was aware that a proposed merger existed between the International Telephone and Telegraph Corporation (ITT) and the Hartford Fire Insurance Company (Hartford). Consolidated had been representing Hartford for approximately 50 years time. [redacted] assumed control of the business in approximately 1956 from [redacted]

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[redacted] was of the opinion that Consolidated and Overseas Insurance Company were the two principal representatives for Hartford in Puerto Rico. Another firm, Benitez and Del Nido, Midtown Building, Hato Rey, Puerto Rico, also represented Hartford; however, [redacted] believed that that firm deals primarily in life insurance.

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[redacted] was unable to furnish an opinion as to what effect the merger of Hartford and ITT would have on the insurance business in Puerto Rico. He could not say where his own firm would be effected to any great extent. He explained the method of handling fire and casualty insurance in Puerto Rico as follows:

When a business firm approaches his company for purpose of obtaining insurance, he immediately contacts Hartford in the United States to see whether this firm is acceptable. Hartford will then ask for an investigation to determine the premium scale to be used. Consolidated, along with many other insurance agencies in Puerto Rico, utilizes the services of the Puerto Rico Inspection and Rating Bureau (PRIIRB) for thier investigative purposes. Consolidated would then send a letter to that Bureau to conduct an investigation so that premium ratings may be established. The PRIIRB would then conduct an investigation and make recommendations to Consolidated, and Hartford would then approve or disapprove the insurance based

On 6/2/69 at Santurce, Puerto Rico File# SJ 60-46

by SA [redacted] :ebd Date dictated 6/2/69

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SJ 60-46

2

on the risk involved. No recommendations are made by Consolidated or by Hartford with regard to protective devices to be placed in a company. If protective devices are needed, this will be established in the investigation conducted by the PRIIB. To the best of his knowledge, Hartford has never made any recommendations as to specific types of sprinkler service to be used.

Ordinarily, Consolidated receives its business through the banking institutions in Puerto Rico and through brokers. [] was unaware whether Levitt and Sons of Puerto Rico were in the insurance business. He may have received some insurance business on Levittown homes; however, he has no way of checking this inasmuch as the insurance would have been handled through mortgage received from a bank. He indicated that any of the policies he had insured were in the Levittown area. He did not know what company issued policies in that particular area.

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Because of a law in Puerto Rico which states that companies must be insured through a local insurance agency, and any business being handled by Hartford would come through his agency or through the Overseas agency. His firm did not handle the insurance for the Puerto Rico Telephone Company, nor did he believe that Overseas handled this business. He was not certain what insurance firm insured the Puerto Rico Telephone Company, a subsidiary of ITT.

[] was aware that the Sheraton Corporation had several hotels in Puerto Rico, but he did not have any of this business. The only property that he was aware that had been built by Levitt and Sons of Puerto Rico, was the property located near Catano, Puerto Rico. He reiterated that he was not aware of who handled the insurance for the property in that area.

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FEDERAL BUREAU OF INVESTIGATION

1

Date 6/2/69

[redacted] Overseas Insurance Agencies, Incorporated, Room 204, 350 Comercio Street, San Juan, Puerto Rico, upon being apprised of the identity of the interviewing Agent and of the fact that an investigation was being conducted at the request of [redacted] Assistant Attorney General, Antitrust Division, Department of Justice, furnished the following information:

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[redacted] has been in the insurance business for approximately 28 years time. His firm has been associated with Hartford Fire Insurance Company (Hartford) for approximately 4 years. It was his opinion that his company, Consolidated Insurance Agency, Incorporated, and Benitez and Del Nido, were the only representatives for the Hartford Company in Puerto Rico.

[redacted] was vaguely aware that a possible merger existed between International Telephone and Telegraph Corporation (ITT) and Hartford in the United States. He could not see what possible effect that this merger would have on business in Puerto Rico inasmuch as this merger had occurred at such a high level. He did not anticipate any changes in the island's economy and in his own company except with possible dealings with different personnel at Hartford in the United States.

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The majority of his business comes through brokers and banking institutions in Puerto Rico. He explained that when contacted by a company or an individual that required insurance, he would cause investigation to be conducted by the Puerto Rico Inspection and Rating Bureau (PRIIRB) for the possibility of determining insurance premium ratings. The PRIIRB conducts an investigation and submits a report to the Insurance Commission of Puerto Rico, based on an established scale for rates. The rates are then approved by the Insurance Commission and insurance will be negotiated between Overseas and the prospective customer.

At present, Insurance Commissioner of Puerto Rico is FERNANDEZ BADILLA.

On 6/2/69 at Santurce, Puerto Rico File# SJ 60-46

by SA [redacted] :ebd Date dictated 6/2/69

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

SJ 60-46

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[] was aware that Levitt and Sons of Puerto Rico, Incorporated, had build a housing project located near Catano, Puerto Rico, which they called Levittown and Levittown Lakes. He did not believe that his insurance agency had issued home owners policies to anyone living in these houses nor was he aware which companies were handling the insurance for that area. [] did not know whether or not Levitt and Sons of Puerto Rico handled its insurance through its own company or through another agency.

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Hartford never made any recommendations for specific devises to be installed on customers property. [] did not believe that Hartford owned a company in the fire protective line or in the sprinkler system line, but was of the opinion that if they did, they still did not make recommendations. Furthermore, the PRIRB would not be able to make recommendations.

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[] explained that the PRIRB was a service that was offered to insurance agencies for the purpose of conducting investigations for them. It was a privately owned services that was utilized by many insurances agencies in the fire and casualty business on the island. It would not be ethical for that firm to make recommendations for fire protective devices.

To the best of his knowledge, Hartford has never made any recommendations, even to those insurance agencies in Puerto Rico, along the line of a fire protective device.

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[] was unaware which company handled the insurance for Puerto Rico Telephone Company, a subsidiary of ITT or for the Sheraton Hotels in Puerto Rico.

60-6831-10 IN THIS FILE SKIPPED DURING
SERIALIZATION.

King

8-24-71

Q.L.D.

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FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE BALTIMORE	OFFICE OF ORIGIN NEW HAVEN	DATE 6/4/69	INVESTIGATIVE PERIOD 5/28 - 29/69
TITLE OF CASE HARTFORD FIRE INSURANCE COMPANY; INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION		REPORT MADE BY SA 	TYPED BY tms
		CHARACTER OF CASE ANTITRUST	

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b7CREFERENCE:

Bureau letter to New Haven, 5/23/69.

- P -

ADMINISTRATIVE DATA:

Each individual interviewed was advised that this investigation was being conducted at the specific request of Assistant Attorney General Antitrust Division, U.S. Department of Justice.

- A -

ACCOMPLISHMENTS CLAIMED						<input checked="" type="checkbox"/> NONE	ACQUIT-TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			
APPROVED <i>[Signature]</i>						SPECIAL AGENT IN CHARGE		
COPIES MADE:						DO NOT WRITE IN SPACES BELOW		
② Bureau 2- New Haven 3- Baltimore (60-397)						60-6831-11		
						2 JUN 9 1969		
						REC-18		
Dissemination Record of Attached Report						Notations		
Agency	<i>[Signature]</i>					STAT. SECT.		
Request Recd.								
Date Fwd.	6-13-69							
How Fwd.	<i>[Signature]</i>							
By								

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55 JUN 16 1969

COVER PAGE

BA 60-397

LEADS:

BALTIMORE DIVISION

AT SILVER SPRING, MARYLAND

Will continue the coverage of leads set forth in reference communication.

AT BALTIMORE, MARYLAND

Will continue the coverage of leads set forth in reference communication.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:
Date:SA [REDACTED]
June 4, 1969

Office:

BALTIMORE

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Field Office File #:

BA 60-397

Bureau File #:

Title:

HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION

Character:

ANTITRUST

Synopsis:

[REDACTED] Bogley & Harting, Inc., Bethesda, Md., furnished individual names and companies who have been well established with Hartford Fire Insurance Co. [REDACTED] Agent, Hartford Fire Insurance Co., Prince Georges County, Md., advised he did not feel the merger with ITT would benefit him personally, however, would benefit the company as a whole. [REDACTED] said he does not recommend Fire Protection Equipment Companies but if Hartford owned such a company, he would recommend it over another. He said he had not lost clients to Levitt and Sons purchasers but he understood the Tidewater Insurance Company had the sales sewed up. [REDACTED] James Cafritz, Inc., Montgomery County, Md., said the combination of ITT and Levitt & Sons has resulted in a competitive advantage for Levitt, in that, Levitt with the additional capital may be able to buy up large tracts of land for development in the future. He said if ITT merged with the Hartford Fire Insurance Company it would give even more capital to Levitt & Sons for future use. He said the purchase of large tracts of land for future development makes land scarce and raises the value of land in the area of real estate developments.

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DETAILS:

FEDERAL BUREAU OF INVESTIGATION

Date 6/2/69

[redacted] Begley and Harting, Inc., 7000 Wisconsin Avenue, Chevy Chase, Maryland, advised that the following individuals are known to him and are agents for the Hartford Fire Insurance Company. He said each one is well established in the insurance field and has worked for the Hartford Company for ten years or more in the Baltimore-Washington Metropolitan area:

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[redacted]
Turner's Insurance Company
3946 Main Street
Upper Marlboro, Maryland

[redacted]
Bel Air, Maryland

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CHUCK DAY, INC.
6203 Baltimore Avenue,
Riverdale, Maryland

[redacted]
Harry Beswell, Inc.
3827 34th Street
Mount Rainier, Maryland

[redacted]
County Insurance Company
7950 New Hampshire Avenue
Langley Park, Maryland

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[redacted]
Baltimore, Maryland

[redacted]
Baltimore, Maryland

- 2 -

On 5/28/69 at Bethesda, Md. File # BA 60-397

by SA [redacted] :tms Date dictated 6/2/69

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BA 60-397

FEC:tms

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[REDACTED]
Baltimore, Maryland

[REDACTED]
Baltimore, Maryland

[REDACTED]
Baltimore, Maryland

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FEDERAL BUREAU OF INVESTIGATION

Date 6/2/69

[redacted] County Insurance Company, 7950 New Hampshire Avenue, Langley Park, Maryland, advised he had been an agent for the Hartford Fire Insurance Company since 1955. He said he has an agency contract with the company and has also contracts with other companies.

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He had a contract with the Home Insurance Company which had been owned by the Hartford Insurance Company. The Home Insurance Company was sold by the Hartford Company, at which time, he had been dropped because of the claims on his books. He had several large claims which looked bad as far as the books were concerned; however, all had been good customers. The management was completely changed and as a result he was dropped because of the claims recorded from his clients.

He did not want to see the Hartford Fire Insurance Company merge with International Telephone & Telegraph Corporation mainly because of the change in management. He could not see where it would benefit his agency and if anything it would be the same as the Home Insurance Company. He could see where it would benefit the Hartford Fire Insurance Company as a whole but not the individual Agents.

[redacted] has only one customer living in a Levitt and Sons home. He said this customer was with him before he purchased the Levitt home and continued the coverage after moving. He did not know of anyone losing customers to other companies after they had purchased a Levitt home. He had heard that anyone who purchased a Levitt home in the State of Maryland has had insurance by the Tidewater Insurance Company literally shoved down their throats. He understood the Tidewater Company was operated by [redacted]

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He understood that if the customer did not buy Tidewater Insurance the salesman would become angry.

The Hartford Fire Insurance Company gives a lower rate for buildings which are equipped with fire protection equipment. He refers a client to the yellow pages of the phone directory concerning the installation of fire protection

- 4 -

On 5/28/69, Langley Park, Maryland File # BA 60-397SA [redacted] :tms

6/2/69

by _____ Date dictated _____

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BA 60-397

FEC:tms

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equipment. However, if Hartford owned a fire protection factory, he would probably recommend the Hartford factory. The premium is based on the rating given to the building by the Fire Rating Board, Baltimore, Maryland.

If a client is in the process of building a new construction, he will recommend that the building be built of fireproof material putting it in a fireproof rating. The premiums on a fireproof structure are less than one with the fire protection equipment. He points out the advantage of the discounts if fire protection equipment is installed and leaves it to the discretion of the client if he wants it installed. He said the premiums would also vary as to the type of equipment or merchandise in the building.

The Hartford Company has a Connecticut Bank and Trust Company, which finances the premiums of customers for 3%. This has been of great value to his business. He thought Hartford might pay a small per cent but he did not know.

He does not have any data available which shows the rank and share of business Hartford holds in the State of Maryland or any given county. He had no idea as to how much business Hartford has compared to other companies in the area and has no data available to him concerning this matter.

He does not know how the Hartford Company competes with others or new Levitt homes, however, he would say they are pretty close to the same. He had heard that State Farm Agents have been doing door to door soliciting in Levitt developments with very good results. He did not know of anyone in particular doing this and he, himself, had never tried it.

FEDERAL BUREAU OF INVESTIGATION

Date 6/2/691

Mr. [redacted] James Cafritz,
Inc., 1010 Rockville Pike, Rockville, Maryland, telephone
[redacted] furnished the following information:

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His company is in the home building business in Montgomery County, Maryland. The homes built by his company are in the same price range as homes built by Levitt and Sons. The combination of International Telephone and Telegraph Corporation (ITT) and Levitt & Sons (Levitt) has resulted in a competitive advantage for Levitt, in that Levitt with the additional capital furnished by ITT may now be able to buy up large tracts of land for development ten or twenty years from now. This in turn will make land more scarce in the future and also raise the price of land in areas of real estate developments. The merger of ITT and Levitt also enables Levitt to buy these large land areas now while the land is cheaper and hold the land without worrying about taxes or other payments.

The addition of Hartford Fire Insurance Company Group to the ITT-Levitt organization will probably give Levitt a greater competitive advantage through added financial backing, thus, increasing the power of Levitt to purchase large land areas for future development.

This ability to buy large tracts of land well ahead of the development of a residential area gives any real estate developer an advantage over competitors since plans, financing and other such arrangements can be made in advance, thus, eliminating these problems when the development is ready to begin. The addition of Hartford with ITT-Levitt might aid the handling of the financing and add additional backing and capital to Levitt, but he could see no other advantages for Levitt through the merger of ITT and Hartford.

On 5/29/69 Rockville, Md.File # BA 60-397by SA [redacted] tms6/2/69b6
b7C

by _____ Date dictated _____

FBI

Date: 6/2/69

Transmit the following in _____
(Type in plaintext or code)

AIRTEL

Via _____
(Priority)

Mr. Tolson	_____
Mr. DeLoach	_____
Mr. Mohr	_____
Mr. Bishop	_____
Mr. Casper	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. Felt	_____
Mr. Gale	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

TO: DIRECTOR, FBI

FROM: SAC, WFO (60-738) P

- ① HARTFORD FIRE INSURANCE COMPANY;
 ① INTERNATIONAL TELEPHONE AND
 TELEGRAPH CORPORATION
 ANTITRUST
 (OO:NH)

ReBulet, dated 5/23/69, to SAC, New Haven, carbon
 copy to WFO.

[redacted] District of Columbia
 Association of Insurance Agents, not available until Monday,
 6/2/69. [redacted] contacted this date and furnished names of
 agents who represent Hartford Insurance Group. Arrangements
 being made to interview selected number of these agents after
 which report will be submitted. Buded will be met. f

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REC-87 60-6831-11

14 JUN 4 1969

- ② Bureau
 1- New Haven (Info)
 1- WFO

HEF:bfm
 (4)

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Approved: 374
 Special Agent in Charge

Sent _____ M Per _____

70 JUN 11 1969

20
FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE SAN JUAN	OFFICE OF ORIGIN NEW HAVEN	DATE 6/13/69	INVESTIGATIVE PERIOD 6/2/69 - 6/10/69
TITLE OF CASE ⑥ <u>HARTFORD FIRE INSURANCE COMPANY; INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION</u>		REPORT MADE BY SA [REDACTED]	TYPED BY jml
		CHARACTER OF CASE ANTITRUST	

S
RC
REFERENCES: Bureau letter to New Haven, dated 5/23/69;
San Juan report of SA [REDACTED] dated 6/2/69

- R U C -

ACCOMPLISHMENTS CLAIMED						<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			
APPROVED <i>OD/lem</i>						SPECIAL AGENT IN CHARGE		
COPIES MADE:						DO NOT WRITE IN SPACES BELOW		
(2) - Bureau 2 - New Haven 1 - San Juan (60-46)						60-6831-12		
						17 JUN 16 1969		
						REC-33 EX-117		
Dissemination Record of Attached Report						Notations		
Agency	[REDACTED]					STAT/SECT, [REDACTED]		
Request Recd.	[REDACTED]							
Date Fwd.	6-20-69							
How Fwd.	[REDACTED]							
By	[REDACTED]							

A*
COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:

Date:

SA [REDACTED]

June 13, 1969

Office: SAN JUAN

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Field Office File #: 60-46

Bureau File #:

Title:

HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND TELEGRAPH
CORPORATION

Character:

ANTITRUST

Synopsis:

Review of Insurance Commission report for 1967-1968 revealed that Hartford Fire Insurance Company wrote premiums for \$375,161 or 0.440% of Puerto Rico total in non-life insurance business and \$86,676 or 1.951% in fire insurance business. Manager, Puerto Rico Inspection and Rating Bureau, stated that majority of insurance for Levittown was issued by Central National Insurance Company of Omaha, Nebraska. He believed that Puerto Rico Telephone Company was handled by Great American Insurance Company. Chief Deputy Commissioner of Insurance for Puerto Rico stated that Puerto Rican laws would probably prevent an insurance company from owning a sprinkler device company. President, IBEC Housing Company, stated that the financing of land tracts was a major problem for companies like IBEC and Levitt. Usually, construction money is tied up in land money. Using bank financing, interest rates increase the overall cost which must be absorbed by the final buyer. Vice president of finance, Rexach and Company, advised that a possible competitive advantage for Levitt in the combination with International Telephone and Telegraph Corporation (ITT) is the gain in surplus capital. Land cost is high in Puerto Rico and should the merger provide more money for Levitt, an advantage would be gained. Treasurer and comptroller, Bird Construction

SJ 60-46

Company, also pointed out that the purchase of land is a very costly item for a developer. The developer needs all the money he can obtain for construction costs. Having a ready supply of money would be a distinct advantage to a developer.

- R U C -

DETAILS: AT SAN JUAN, PUERTO RICO

FEDERAL BUREAU OF INVESTIGATION

Date June 13, 1969

A review of the fiscal year 1967-1968 annual report for the Office of the Commissioner of Insurance, JULIO R. HERNANDEZ, Commissioner, reflected the following information concerning the Hartford Fire Insurance Company:

Financial Condition of Authorized Non-life Insurers as of December 31, 1967

	<u>Hartford</u>	<u>Total Puerto Rico</u>	<u>Per Cent</u>
Admitted Assets	\$976,630,949.	\$26,218,619,779	3.724
Unearned Premiums Reserves	197,332,400	6,563,945,022	3.006
Losses Reserves	69,108,383	7,002,374,272	0.986
Other Liabilities	39,252,933	2,455,427,850	1.598
Total Liabilities	305,693,716	16,021,747,144	1.907
Surplus Regarding Policyholders	670,937,233	10,194,972,639	6.581

1967 Total Non-Life Insurance Business

	<u>Hartford</u>	<u>Total Puerto Rico</u>	<u>Per Cent</u>
Premiums Written	\$375,161	\$85,095,184	0.440
Losses Paid	170,337	42,957,429	0.226
Premiums Earned	364,523	82,160,506	0.443
Losses Incurred	149,759	46,600,928	0.321

On 6/2, 3, 9/69 at Hato Rey, Puerto Rico File# SJ 60-46

by SA jml 3 Date dictated 6/11/69

SJ 60-46

1967 Fire Insurance Business

	<u>Hartford</u>	<u>Total Puerto Rico</u>	<u>Per Cent</u>
Premiums Written	\$86,676	\$4,441,732	1.951
Losses Paid	34,509	4,210,236	0.819
Premiums Earned	85,419	5,332,324	1.602
Losses Incurred	24,352	5,953,673	0.409
Loss Ratio	28.5	111.7	

The report indicated that Hartford Fire Insurance Company did business in the following categories in Puerto Rico:

4.040	Property
4.050	Marine Transportation
4.070	Vehicle
4.080	Casualty
4.090	Surety

The home address for the company was listed to be 690 Asylum Avenue, Hartford, Connecticut 06105, and the company was authorized on December 21, 1915. Other schedules were noted in the file; however, Hartford's participation in other categories was minimal.

FEDERAL BUREAU OF INVESTIGATION

Date June 9, 1969

1

[redacted] Puerto Rico Inspection and Rating Bureau, 420 Ochoa Building, San Juan, Puerto Rico, after being apprised of the identity of the interviewing agent and being advised that this investigation was being conducted at the request of the Assistant Attorney General, [redacted] of the Anti-Trust Division, United States Department of Justice, furnished the following information:

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The Puerto Rico Inspection and Rating Bureau is a privately owned service whose members are the insurance companies doing business in Puerto Rico. The Puerto Rico Inspection and Rating Bureau performs services for all insurance companies on the Island of Puerto Rico with the exception of three (3) companies. These three (3) companies are served by the Puerto Rico Fire Insurance Service, which is also [redacted]

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[redacted] is acquainted with a residential area called Levittown, located near Catano, Puerto Rico, which was built by Levitt and Sons of Puerto Rico, Incorporated. He believed that the majority of the insurance covering this area had been issued by the Central National Insurance Company of Omaha, Nebraska. That company is located at 700 South 72nd Street, Omaha, Nebraska.

An individual by the name of [redacted] initially was going to handle the insurance coverage for Levitt and Sons of Puerto Rico, Incorporated. However, [redacted] was not able to obtain a license to operate in Puerto Rico inasmuch as he had not established residence for a specified amount of time.

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On 6/3/69 at San Juan, Puerto Rico File # SJ 60-46

by SA [redacted] :nit Date dictated 6/5/69

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SJ 60-46

2

In a book entitled "WHO'S WHO IN INSURANCE", [redacted] was described as [redacted] in Zinman (CPCU), Zinman, Grossman, Lichtenstein Company, Lafayette Building, Philadelphia, Pennsylvania, 224 North Bowman Avenue, Marion, Pennsylvania.

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[redacted] was of the opinion that Manuel San Juan Company, Incorporated, Banco Popular at Banco Popular Building, San Juan, Puerto Rico, was presently handling Levitt and Sons business.

The Hartford Fire Insurance Company was represented in Puerto Rico by three general agents. He listed these agents as follows:

One. Overseas Insurance Agency
350 Comercio Street
San Juan, Puerto Rico

Two. Consolidated Insurance Agency
350 Comercio Street
San Juan, Puerto Rico

Three Benitez and Del Nido
Midtown Building
Hato Rey, Puerto Rico.

[redacted] was aware that a possible merger existed between Hartford Fire Insurance Company and International Telephone and Telegraph Company; however, he did not believe that this merger would greatly effect Puerto Rico. Hartford represents a fairly small percentage of insured companies in Puerto Rico. From his records, he noted the following property damage coverage issued by Hartford Fire Insurance Company for the fiscal year 1967:

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SJ 60-46

3

**Property Damage Insurance
\$191,764**

The above amount represented 1.271% of the total Island business. [redacted] was of the opinion that the casualty insurance coverage would probably be even lower.

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He believed that the Puerto Rico Telephone Company was handled by the Great American Insurance Company, that company being the company doing the greatest amount of property and casualty insurance on the Island.

FEDERAL BUREAU OF INVESTIGATION

Date June 9, 1969

1

The records of the Corporation Division, Secretary of State, Old San Juan, Puerto Rico, were reviewed for the Levitt Corporation and Levitt and Sons of Puerto Rico, Incorporated. The following information was extracted from this review:

Number 6527
Domestic Corporation Levitt Corporation

Address 1610 Ponce de Leon
 Santurce,
 Puerto Rico

Purpose Construction and
 Development of
 Real Estate

Officers

[Redacted box for Officers]

Levittown,
New Jersey

San Juan,
Puerto Rico

Levittown,
New Jersey

Levittown,
New Jersey

San Juan,
Puerto Rico

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On 6/4/69 at San Juan, Puerto Rico File # SJ 60-46

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by SA [Redacted] 8 Date dictated 6/5/69

SJ 60-46
2

BALANCE SHEET
October 31,
1964

ASSETS

Current Assets

Cash	\$ 29,372
Accounts Receivable	7,055
Land at Cost	<u>13,932</u>
	<u>\$ 50,359</u>

LIABILITIES

Current Liabilities

Notes Payable - Demand	\$ 45,000
Accounts Payable	9,130
Accrued Interest	7,592

Common Stock and Earned Surplus	
Common Stock (Note One)	\$22,000
Surplus (Deficit)	<u>(\$33,363) (11,363)</u>
	<u>\$ 50,359</u>

SJ 60-46

3

Number 1526-F
Foreign Corporation

Resident Agent
1967 Report
Officers

[Redacted]

Levitt and Sons
of Puerto Rico
Incorporated

[Redacted]
A Delaware Corporation

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[Redacted]

Lake Success
New York

[Redacted]

Lake Success
New York

[Redacted]

San Juan
Puerto Rico
And five (5)
other individuals
at Lake Success
New York

[Redacted]

Lake Success
New York

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[Redacted]

Lake Success
New York

[Redacted]

Lake Success
New York

[Redacted]

Lake Success
New York

[Redacted]

Santurce
Puerto Rico

[Redacted]

Santurce
Puerto Rico

SJ 60-46

4

Balance sheet disclosed total assets for 1967	\$ 5,571,609
Retained earnings for the company amount to	\$ 3,819,323
Liabilities for the company included Puerto Rico Income Taxes of	\$ 416,898

FEDERAL BUREAU OF INVESTIGATION

Date June 9, 1969

1

[redacted]
 Benitez and Del Wido, Incorporated, Insurance, Penthouse Suite, Midtown Building, Hato Rey, Puerto Rico, after being apprised of the identity of the interviewing agent and being advised that this investigation was being conducted at the request of the Assistant Attorney General, [redacted] of the Anti-Trust Division, United States Department of Justice, furnished the following information:

[redacted] had been in the insurance business for approximately twelve (12) years time. For the past four (4) years, his company had been representing the Hartford Fire Insurance Company. He would estimate that Hartford Fire Insurance Company represented a very small portion of his company's business; possibly no more than ten per cent (10%) of the total volume.

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His company handles the insurance for the Puerto Rico Telephone Company, a subsidiary of the International Telephone and Telegraph Company. Because of the great risk involved in handling the insurance for that company, the risk is shared among several insurance companies. The Great American Insurance Company has approximately sixty (60%) per cent of the total coverage while the Hartford Fire Insurance Company handles approximately three (3%) per cent.

His firm does not do any business with the Sheraton Hotels or with Levitt and Sons of Puerto Rico, Incorporated. He is not aware which insurance companies handle the insurance coverage for these two companies. [redacted] advised that Consolidated Insurance Agency, the Overseas Insurance Agency and his firm are the only representatives of the Hartford Insurance Company in Puerto Rico.

On 6/3/69 at Hato Rey, Puerto Rico File # SJ 60-46

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12

by [redacted] Date dictated 6/5/69

SJ 60-46

2

[] was aware of the proposed merger of the Hartford Fire Insurance Company and International Telephone and Telegraph. He did not have the slightest idea what effect this merger would have on his business or with other businesses in Puerto Rico.

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He was aware that Hartford Fire Insurance Company did not make any recommendations as to a particular type of fire protection device to be used by its' customers, nor were any recommendations made by the Puerto Rico Inspection and Rating Bureau, a service utilized by insurance companies operating in Puerto Rico. [] was not aware whether or not Hartford Fire Insurance Company owned an automatic sprinkler company.

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[] was of the opinion that an automatic sprinkler system would have to be installed in the building initially and that Hartford would not have been contacted until after the building had been completed. He could not see any advantage to Hartford owning an automatic sprinkler company.

He was of the opinion that the merger would not greatly effect his company or Puerto Rico, inasmuch as he was of the opinion that Hartford Fire Insurance Company represented only about two (2%) per cent of the total insurance business conducted in Puerto Rico.

FEDERAL BUREAU OF INVESTIGATION

Date June 13, 1969

[redacted]
[redacted] Commonwealth of Puerto Rico, Condado Avenue, Santurce, Puerto Rico, upon being apprised of the identity of the interviewing agent and of the fact that an investigation was being conducted at the request of [redacted] Assistant Attorney General, Antitrust Division, Department of Justice, furnished the following information:

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The present Commissioner of Insurance is PEDRO J. FERNANDEZ BADILLA. He was appointed to his office in January, 1969.

[redacted] was aware that Hartford Fire Insurance Company had been doing business in Puerto Rico; however, [redacted] was of the opinion that it was on a small scale. On June 14, 1968, Law Number 85 was passed by the Puerto Rico legislature causing "insurance pools" to be created for the purpose of handling commercial insurance risks. This law was caused by the large number of bombing incidents and fires that had occurred in recent years in Puerto Rico. Most of the major insurance companies are not anxious to obtain commercial business because of the great risk involved. The law has minimized the risk involved and she believed that none of the insurance companies had suffered badly since the creation of the law.

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Statistics are maintained on insurance companies; however, no statistics are available as to insurance issued to individual land tract owners or individual purchasers of insurance. She would not be able to tell which insurance companies insured a particular property. [redacted] had not heard of any unfair practices in the insurance business and did not believe that the competition was keen. Because of the problems created with bombings and fires, she did not believe that too many companies were anxious to insure any type of commercial establishment.

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[redacted] did not believe that an insurance company doing business in Puerto Rico would be able to own a company in the sprinkler device business. She stated this because of certain Puerto Rican laws that would oppose such an operation. Section 307, Title 26 of the Laws of Puerto Rico annotated

On 6/10/69 at Santurce, Puerto Rico File # 60-46

by SA [redacted] jml 14 Date dictated 6/12/69

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SJ 60-46

provided that an insurance company may not control a business that is not incidental to the insurance business. Also, Chapter 27 of the Insurance Code provided for anti-competitive practices and she believed that the law would prevent such a combination.

She was not aware of any anti-competitive practices by Levitt and Sons de Puerto Rico, Inc., nor had her office received any complaints against that company for any reason.

FEDERAL BUREAU OF INVESTIGATION

Date June 13, 1969

[redacted] IBEC Housing Company, Inc., 65th Infantry Road, Rio Piedras, Puerto Rico, upon being apprised of the identity of the interviewing agent and of the fact that an investigation was being conducted at the request of [redacted] Assistant Attorney General, Antitrust Division, Department of Justice, furnished the following information:

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His company is in the business of developing housing tracts and general construction. Its chief competitor in Puerto Rico is Levitt and Sons de Puerto Rico, Inc. He estimated that during the year 1968, IBEC handled approximately 700 deeds to approximately 600 deeds for Levitt and Sons. It was his understanding that Levitt and Sons had purchased a tract of land at Ponce, Puerto Rico, during the past year and planned to build a housing project there.

[redacted] did not believe that the purchasing of Levitt and Sons by International Telephone and Telegraph Corporation had resulted in any competitive advantage for Levitt. Levitt and Sons had been a chief competitor of IBEC in Puerto Rico for several years and he had not noticed any substantial rise in their business following that purchase.

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The financing of land tracts is a major problem for companies like IBEC and Levitt. Usually, when this is done, construction money is tied up in land money and can greatly hamper construction. Should a company have a great amount of surplus capital, it would be a distinct advantage in the construction field. An ideal situation, would be for the construction company to have a sister company to provide the financing, leaving the developing to the construction company.

In his opinion, [redacted] believed that this type financing would be good for the business as a whole. He explained that it may tend to aid the devaluation of land costs which seem to be high throughout Puerto Rico and the United States. When a construction company has to use bank financing the interest rates increase the overall cost which must ultimately go to the final buyer. With the financing being handled by a sister company on the other hand, the profit may be held to a minimum.

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On 6/10/69 at Rio Piedras, Puerto Rico File # SJ 60-46

by SA [redacted] jml 1 6 Date dictated 6/12/69

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b7C

SJ 60-46

[] was of the opinion that a competitive advantage would be gained by a developer if he were able to purchase large land tracts well ahead of the development of a residential area. He pointed out that the same reasons were prevalent in that regard because of the financial advantages he had previously mentioned. From a business standpoint, he would not be in disagreement; however, because it is the most economical route for a construction firm to follow.

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FEDERAL BUREAU OF INVESTIGATION

Date June 13, 1969

[redacted] Rexach and Company, Caparra, Chase Manhattan Building, Puerto Nuevo, Puerto Rico, upon being apprised of the identity of the interviewing agent and of the fact that an investigation was being conducted at the request of [redacted] Assistant Attorney General, Antitrust Division, Department of Justice, furnished the following information:

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He was not aware that a merger had been proposed between Hartford Fire Insurance Company, (Hartford) and International Telephone and Telegraph Company (ITT) nor was he aware that Levitt and Sons was owned by ITT. Levitt and Sons de Puerto Rico, Inc., is a chief competitor of Rexach and Company. The two companies will be in competition when proposed projects begin in the Ponce, Puerto Rico, area.

[redacted] was of the opinion that with the "tight money" situation that existed, an advantage would be gained by competitors who had operating capital from other sources. In Puerto Rico, land costs are very high and it is important to keep land costs at a minimum so that enough capital is available for construction. Usually, this is a major problem with developers.

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[redacted] did not know whether the combination of ITT with Levitt had resulted in any competitive advantage for Levitt nor could he relate an opinion whether an advantage would be gained in the proposed merger between Hartford and ITT. The only possibility that he believed might exist, is the gain in surplus capital. That problem is one that all construction companies would like to solve. Land cost, he reiterated, is high in Puerto Rico, and therefore, should the merger provide more money for Levitt and Sons, an advantage would be gained.

He did not believe that Rexach and Company would be effected by the merger, nor would any of the larger developers in the area be hurt by the merger.

On 6/10/69 at Puerto Nuevo, Puerto Rico File# 60-46

by SA [redacted] jml 1 8 Date dictated 6/12/69

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FEDERAL BUREAU OF INVESTIGATION

Date June 13, 1969

[redacted]
 Caribbean Towers, Bird Construction Company, Inc. (Bird), Santurce, Puerto Rico, upon being apprised of the identity of the interviewing agent and of the fact that an investigation was being conducted at the request of [redacted] assistant attorney general, Antitrust Division, Department of Justice, furnished the following information:

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His firm operates in the development in condominium construction, housing and buildings. Usually, the company is in the position of not having to buy land tracts prior to constructing and generally, the company will contract only to build. In conjunction with this type operation, a performance bond must be provided by Bird which costs the company thousands of dollars. This is in relation to the builder's risk covering cases of disaster such as hurricanes, earthquakes, etc.

The purchase of land is a very costly item for a developer. Usually, the developer needs all the money he can obtain for construction costs. Having a ready supply of money would be a distinct advantage to a developer. In relation to this, he pointed out that the combination of International Telephone and Telegraph Corporation (ITT) and Levitt and Sons may have given Levitt a boost financially. He was of the opinion that the proposed merger between ITT and Hartford Fire Insurance Company (Hartford) could possibly give Levitt a definite competitive advantage. This would enable Levitt to buy large tracts of land without using cash needed for construction.

[redacted] added that although Bird did not ordinarily buy land tracts at the present time, it may do so in the future. If that were to be the case and Bird was in direct competition with Levitt, he could see where Levitt would have a competitive advantage.

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On 6/10/69 at Santurce, Puerto Rico File # 60-46

by SA [redacted] jml 19* 6/12/69
 Date dictated

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FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE 6/2/69	INVESTIGATIVE PERIOD 5/29/69
TITLE OF CASE Hartford Fire Insurance Company; International Telephone and Telegraph Corporation		REPORT MADE BY SA 	TYPED BY na
		CHARACTER OF CASE ANTITRUST	

REFERENCE: Bureau letter to New Haven, 5/23/69.

- P -

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will forward results of requested investigation in referenced letter.

ADMINISTRATIVE

Individuals contacted were advised that this investigation is being conducted at the request of Assistant Attorney General, Antitrust Division, Department of Justice.

ACCOMPLISHMENTS CLAIMED						<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			
								PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED
COPIES MADE:

SPECIAL AGENT
IN CHARGE

DO NOT WRITE IN SPACES BELOW

- ② - Bureau
2 - New Haven
2 - Chicago (60-1314)

60-6831-13 REC-98
5 JUN 16 1969

Dissemination Record of Attached Report			
Agency	<i>add</i>		
Request Recd.			
Date Fwd.	<i>06 D</i>		
How Fwd.	<i>add</i>		
By	<i>33</i>		

Notations

STAT. SECTION

- A* -
COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:
Date:SA [REDACTED]
June 2, 1969

Office: Chicago

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Field Office File #:

60-1314

Bureau File #:

Title:

Hartford Fire Insurance Company;
International Telephone and Telegraph Company

Character:

ANTITRUST

Synopsis:

Mr. [REDACTED] of Hoffman-
Rosner Builders, Incorporated, and [REDACTED] of the
Chicago Residential Builders Association. and Mr.
[REDACTED]b6
b7C

in the Chicago area for Campanelli Brothers Builders, advised that the combination of International Telephone and Telegraph (ITT) and Levitt has resulted in a competitive advantage for Levitt. The addition of Hartford Insurance Company would be a competitive advantage through added financial backing and that the ability to buy large tracts of land ahead of the development of a residential area gives the real estate developer a competitive advantage.

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CG 60-1314

DETAILS: AT CHICAGO, ILLINOIS

This investigation is predicated upon the request of Mr. [REDACTED] Assistant Attorney General, Antitrust Division, Department of Justice, as outlined in his letter to the Director, Federal Bureau of Investigation (FBI), dated May 22, 1969.

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FEDERAL BUREAU OF INVESTIGATION

1

Date 6/2/69

Mr. [] of Hoffman-Rosner Builders, Incorporated, and [] of the Chicago Residential Builders Association, advised that his company is one of the largest in the Chicago area and is in direct competition with Levitt in the construction, development, and sale of residential units. [] related that it is his opinion that the merger of Levitt and Sons with the International Telephone and Telegraph Company (ITT), has resulted in a competitive advantage for Levitt. The competitive advantage results from the financial position that Levitt holds due to the financial resources of ITT. [] stated that the ability to purchase land on a cash basis is a financial advantage. [] stated that under present market conditions, most sellers of land are demanding "Cash on the barrelhead" and developers without Levitt's financial position are finding themselves paying very high interest rates in order to obtain the needed immediate cash. ✓

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[] was of the opinion that the addition of Hartford Company to the ITT-Levitt organization gave Levitt additional competitive advantage through the finances of the Hartford Company. He stated that the Hartford Company is by its nature an investing organization and their association with Levitt would afford additional financing and thus competitive advantage to Levitt.

[] felt that the ability to buy large tracts of land and ahead of the development of a residential area does give the real estate developer a competitive advantage and consequently for the reasons stated above, he felt that the combination of Hartford with the ITT-Levitt Association would give Levitt a decided advantage in land development.

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[] emphasized the fact that it is his opinion that the only real advantage in the conglomerate type organization such as Levitt, ITT and proposed acquisition of Hartford provides for the immediate financial resources. He stated that he did not feel the

On 5/29/69 at Hoffman Estates, Illinois File # CG 60-1314

by SA [] nan Date dictated 6/2/69

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CG 60-1314

centralization of management or selling ability, or labor acquisition were any real advantages in a conglomerate type organization. Ground acquisition with the needed financial resources afford the basic advantage.

FEDERAL BUREAU OF INVESTIGATION

1

Date 6/2/69

Mr. [REDACTED]

[REDACTED] in the Illinois area for Campanelli Brothers Builders, advised that he has been in the Illinois area for approximately 10 years and that his company is one of the larger builders in Illinois and is in direct competition with Levitt in the development, construction, and sale of residential property and homes.

[REDACTED] advised that he is of the opinion that the ITT and Levitt and Sons Builders combination has provided a definite competitive advantage for Levitt. He stated that this advantage has resulted both from the financial resources of Levitt and the psychological effect that an ITT-Levitt and Sons combination affords. [REDACTED] related that present land acquisition requires immediate cash and that the financial ability of Levitt due to its combination with ITT has resulted in a definite competitive advantage. Additionally, he stated that general reputation and size of Levitt in conjunction with ITT has afforded them an advantage in the ability to acquire labor and in the ultimate selling of homes. He stated that construction employees are more willing to work for and remain with a company the size of Levitt due to its reputation for stability and vast financial resources.

[REDACTED] stated that he felt the addition of Hartford to the ITT-Levitt organization would just enhance Levitt's competitive position due to the additional backing of the Hartford Insurance Company.

[REDACTED] advised that the ability to buy large tracts of land and ahead of the development of a residential area gives the real estate developer a distinct competitive advantage due to the price fluctuation of the land. For the reasons outlined above, he felt the addition of Hartford would work as a competitive advantage for Levitt.

On 5/29/69 at Schaumburg, Illinois File # CG 60-1314

by SA [REDACTED] nan Date dictated 6/2/69

2
CG 60-1314

As an example of the psychological effect that the combination of Levitt and ITT has, [redacted] related that approximately five years ago, residential land in the Schaumburg area was selling for approximately \$2,800 an acre and that he was bidding on land at that price. Subsequently, it was rumored that Levitt and Sons was anticipating locating in the Schaumburg area and the price of land rose to \$4,000 an acre in a period of one year.

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FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN NEW HAVEN	DATE 6/16/69	INVESTIGATIVE PERIOD 6/5-6/69
TITLE OF CASE Hartford Fire Insurance Company, International Telephone and Telegraph Corporation		REPORT MADE BY SA 	TYPED BY nan
		CHARACTER OF CASE ANTITRUST	

REFERENCES: Bureau letter to New Haven, 5/23/69.
Chicago report of SA 6/2/69.

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- RUC -

ADMINISTRATIVE

Individuals contacted were advised that this investigation is being conducted at the request of Assistant Attorney General, Antitrust Division, Department of Justice.

ACCOMPLISHMENTS CLAIMED						<input type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input type="checkbox"/> NO
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			

APPROVED

SPECIAL AGENT
IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

- ② - Bureau
2 - New Haven
2 - Chicago (60-1314)

60-6831-14 REC-42

JUN 18 1969

Dissemination Record of Attached Report			
Agency			
Request Recd.			
Date Fwd.	6-20-69		
How Fwd.			
By			

Notations

ALL
STAFF
REPT.

54 JUN 24 1969

COVER PAGE

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

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Report of:

SA [REDACTED]

Office: Chicago

Date:

June 16, 1969

Field Office File #:

60-1314

Bureau File #:

Title:

Hartford Fire Insurance Company,
International Telephone and Telephone Company (ITT)

Character:

ANTITRUST

Synopsis:

Mr. [REDACTED] of Winston Development Corporation, advised that the ITT-Levitt combination has had no competitive effect, nor would the ITT-Hartford combination substantially effect his competitive position. Insurance agents in the Chicago area for the Hartford Company foresee very limited effect on their competitive position if the proposed Hartford-ITT combination is consummated, nor have they felt any effect from the Levitt-ITT combination.

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- RUC -

DETAILS: AT CHICAGO, ILLINOIS

FEDERAL BUREAU OF INVESTIGATION

1Date 6/12/69

Mr. [] of the Winston Development Corporation, Palatine, Illinois, advised that the Winston Development Corporation was the largest residential home builder in the Chicago area during 1968, and that he considers his company in competition with Levitt and Son in the development and building of residential property.

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[] stated that he can think of no competitive advantage that has been gained by Levitt and Son due to their acquisition by the ITT, nor does he feel that the acquisition of Hartford and ITT would result in any financial advantage.

He stated that he does not feel it is any competitive advantage gained in the ability to buy large tracts of land ahead of the development of a residential area and he could foresee no competitive advantage for Levitt and Son if the Hartford-ITT combination is consummated. [] felt that unless there are "wild speculative swings" in land prices, the ability to purchase ahead of a development area is of no real value.

On 6/4/69 at Chicago, Illinois File # CG 60-1314

by SA [] nan Date dictated 6/10/69

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FEDERAL BUREAU OF INVESTIGATION

1

Date 6/12/69

Mr. ARTHUR KNOLL, Chairman and Treasurer of the Moore, Case Lyman, and Hubbard, Corporation, advised that his agency is the oldest and possibly largest agency in the Chicago area which writes insurance for the Hartford Company. KNOLL stated he has been in the insurance business for 40 years, primarily with the Moore-Case Company. He is not an officer of any insurance agency association.

KNOLL did not have any data available showing the rank and sale of business that Hartford holds in the property and liability field in the Chicago area. He stated that his estimate of the Hartford ranking could best be stated as "major and important". KNOLL recalled having seen in the "ITT Notice of Annual Meeting dated May 7, 1969", a ranking of Hartford Insurance Company sales in various areas throughout the country.

KNOLL did not have any data available showing the amount of business generated by the Levitt Development for homeowners for fire and extended coverage insurance nor any information on the coverage sold in the community represented by insurance covering Levitt homes. KNOLL did not know if his company has ever sold insurance to a purchaser of a new Levitt home nor did he know if he had ever lost a customer to Levitt when the client purchased a Levitt home. He could not furnish the name of any agent who may have lost customers to Levitt.

KNOLL did not foresee any effect on his business by the ITT acquisition of Levitt.

KNOLL advised that under certain circumstances Hartford Company requires the installation of fire protection equipment before they will insure the client, depending on the nature of the client's business and the facilities being insured. He did not know of any discount

On 6/5/69 at Chicago, Illinois File # CG 60-1314

by SA [redacted] nan Date dictated 6/11/69

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2
CG 60-1314

system for the installation of fire protection equipment, nor did he have any copies of the bulletins or directives from Hartford on the subject.

KNOLL stated that although Hartford may require the installation of fire protection equipment in certain instances, they do not recommend any one fire protection equipment company. It was KNOLL's opinion that it would be mutually advantageous for Hartford to recommend a sprinkler company and for the sprinkler company to recommend Hartford, if Hartford owned an automatic sprinkler company.

FEDERAL BUREAU OF INVESTIGATION

1

Date 6/12/69

Mr. J. CHIDLY, President of the Chidly Hughes Company, 175 Jackson Boulevard, Chicago, Illinois, advised that his company is a substantial writer of Hartford Insurance. CHIDLY stated that he originally entered the insurance business in 1905 as an inspector for the Chicago Board of Underwriters. He maintained this job until approximately 1926, when he started his present firm. He is not an officer in any agents association.

CHIDLY stated that he does not have any available data showing the rank and sale of business Hartford holds in property and liability insurance in the county or city where a Levitt development is located. He stated that he could venture no estimate as to Hartford's ranking and sale of business held in the Chicago area other than substantial. CHIDLY did not have any data available showing the amount of business generated by the Levitt development for homeowners and fire and extended coverage insurance in the community.

CHIDLY did not know if he had ever sold homeowners insurance to a purchaser of a new Levitt home nor if he had ever lost a customer to Levitt when the client purchased a Levitt home. He advised that he did not feel that Levitt was of a significance in the homeowners insurance field. He could not furnish the name of any agent who had lost customers to Levitt.

CHIDLY advised that he could not foresee any effect on his business by the ITT acquisition of the Hartford Company.

CHIDLY stated that in certain instances, depending on the nature of a client's business and the facilities to be insured, Hartford does require the installation of fire protection equipment as does Cook County and Illinois State building directives. He did not have any copies of the bulletins and directives from Hartford on the subject. CHIDLY stated that Hartford does not recommend the installation of any one particular

On 6/5/69 at Chicago, Illinois File # CG 60-1314

by SA [redacted] nan Date dictated 6/11/69

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CG 60-1314

automatic sprinkler system company and he does not feel it would be advantageous for Hartford to recommend any one sprinkler company if they owned a sprinkler company since most of this is handled by the agent.

FEDERAL BUREAU OF INVESTIGATION

1

Date 6/12/69

Mr. [] of the Conkling, Price, and Webb Agency, 175 Jackson Boulevard, Chicago, Illinois, advised that he has been in the insurance business for 23 years and is a substantial writer of Hartford homeowners coverage. He is a member of the Chicago Board of Underwriters, but does not hold an office.

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[] did not have any data available showing the rank and sale of business Hartford holds in the property and liability insurance in the county or city where a Levitt development is located. His own estimate was that of "major". He did not have any data available showing the amount of business generated by a Levitt development for homeowners coverage insurance nor of total homeowners coverage sold in the area is represented by insurance covering Levitt homes. [] is of the opinion that Levitt and Son is of no significance in the insurance business in the Chicago area. He did not know if he had ever sold homeowners coverage to a purchaser of a Levitt home nor if he had ever lost a customer to Levitt when the client purchased a Levitt home. He enumerated again that he did not have feel Levitt was of a very significant influence. [] could not furnish the name of any agent who had ever lost a customer to Levitt.

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[] advised that he felt that the ITT-Levitt and Hartford combination would effect his business, but to what extent and how was not discernible.

[] advised that in certain instances depending upon the facilities to be insured, Hartford does require the installation of fire protection equipment. He knew of no discount system in this regard. He stated that although Hartford does require, as does state law, the installation of fire protection equipment in certain instances, Hartford does not recommend any particular automatic sprinkler company. He did not have copies of any bulletins or directives issued by Hartford on the subject. [] did not feel that it would be advantageous for Hartford to recommend a sprinkler company if they owned one, nor for the sprinkler company to recommend,

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On 6/5/69 at Chicago, Illinois File # CG 60-1314

by SA [] nan Date dictated 6/11/69

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CG 60-1314

Hartford, since they were not in a position due to their relative size. He felt it would not be advantageous in their capacity to recommend any one company.

6/11/69

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To: SAC, New York (60-1646)

From: Director, FBI

60-6831-15

HARTFORD FIRE INSURANCE COMPANY;
ET AL.
ANTITRUST
OO: NH
BUDED: 6/17/69

ReALairtel to Bureau 6/9/69.

Enclosed for New York is one copy of LHM submitted with reairtel. Albany in the future insure that interested offices receive copies of investigation in your division.

Enclosure

1 - Albany (60-297) (Info)
1 - New Haven (Info).

DDG:bap (6)

MAILED 24
JUN 11 1969

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MAIL ROOM ☐ TELETYPE UNIT ☐

FBI

Date: 6/9/69

Transmit the following in _____
(Type in plaintext or code)Via Airtel Airmail
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, ALBANY (60-297) (RUC)

SUBJECT: HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND
TELEGRAPH CORPORATION
ANTITRUST
(OO: NEW HAVEN)
BUDED: 6/17/69

ReBulet to New Haven dated 5/23/69 and
 Buffalo airtel to Bureau dated 5/28/69.

Enclosed herewith for the Bureau are the
 original and three copies of an LHM concerning
 captioned matter.

Enclosed for New Haven are two copies of the
 LHM.

In view of the fact that no further investiga-
 tion is pending in the Albany Division, pending further
 instructions from New Haven, no additional investigation
 is being conducted, and this case is being RUC'd.

- ② - Bureau (Encs. 4)
 2 - New Haven (Encs. 2)
 1 - Albany
 GPS:pak
 (5)

60-6831-15
 JUN 10 1969

Approved: _____
 Special Agent in Charge

Sent _____ M

Per _____



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Albany, New York

May 9, 1969

HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND
TELEGRAPH CORPORATION
ANTITRUST

On June 2, 1969, [redacted]
[redacted] New York State Association of Insurance Agents,
Hills Building, Syracuse, New York, telephone number
[redacted] advised that it was a misconception on the part
of [redacted] of the
Association, that the computer survey had been completed
and was available relative to the identities of Hartford
Insurance Agents in the State of New York.

Mr. [redacted] advised that there were 2,050 agencies
in his association, however, the files did not indicate the
companies they represented. He stated approximately one
month ago 72 questions were sent to the membership which
would provide the information desired, however, only approxi-
mately 1,600 forms had been returned to date. These are
being processed through a data processing center at
Newburgh, New York, and the survey is not complete and the
date of its completion cannot be estimated because a
second mailing to non-responding agencies might become
necessary.

Mr. [redacted] observed that the insurance field
directory issued by the Insurance Field Company of
Louisville, Kentucky, which is put out annually, con-
tains a complete listing geographically of all insurance
agencies in New York State; under each insurance agency is
listed the major insurance companies that they represent.
He stated that the asterisked agencies in this listing
are current each year and those not asterisked is older
information.

ENCLOSURE

60-1841-15

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RE: HARTFORD FIRE INSURANCE COMPANY;
INTERNATIONAL TELEPHONE AND
TELEGRAPH CORPORATION
ANTITRUST

He stated that all insurance companies and many insurance agency offices contain an issue of the insurance field directory. He stated that in the absence of complete data from his membership, the insurance field directory would be the source having the most current listing of New York State insurance agents and the companies they represent. He also observed that this directory would include agencies which are not members of his association and would be more complete from that viewpoint. He advised that if the results of his questionnaire when available were still desired, he would be glad to make same available and would have a better estimate as to when the information would be summarized after he returns from a June 10, 1969, meeting with the data computer representatives at Newburgh, New York.

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